

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)
(916) 445-4982



CONWAY H. COLLIS
First District, Los Angeles
ERNEST J. DRONENBURG, JR.
Second District, San Diego
WILLIAM M. BENNETT
Third District, Kentfield
RICHARD NEVINS
Fourth District, Pasadena
KENNETH CORY
Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

No. 84/18

February 21, 1984

TO COUNTY ASSESSORS:

CORRECTION TO LETTER NUMBER 83/132 -- QUESTIONS
AND ANSWERS REGARDING SUPPLEMENTAL ASSESSMENTS

This letter is to advise you of a change in our position regarding new construction that is completed and changes in ownership that occur between March 1, 1983 and June 30, 1983. The answer to question number eleven in letter number 83/132 states that the amount of the supplemental assessment is \$70,000.

It has come to our attention that the intent of the legislature is to exclude new construction completed and changes in ownership occurring between 3-1-83 and 6-30-83 from supplemental assessment. The method used in the answer to question eleven in letter 83/132 has the net effect of taxing the April 15, 1983 transfer.

To avoid enrolling a supplemental assessment on the 4-15-83 transfer, you should process the August 1983 supplemental assessment as if a supplemental assessment had been made on the interim (4-15-83) transfer. A new base year value of \$100,000 (as of 4-15-83) and a taxable value of \$50,000 (taxable value for the roll being prepared 1983-84) would have yielded a supplemental assessment for 1983-84 of \$50,000. The most recent new base year value of \$120,000 and the taxable value of \$50,000 (1983-84) and a subsequent assessment (exempted) of \$50,000 would yield a net supplement assessment for the August 1983 transfer of \$20,000 (i.e., \$120,000 - \$50,000 - \$50,000 = \$20,000). Of course, the same procedure would apply for new construction completed during the time period 3-1-83 to 6-30-83.

If you have any questions regarding this letter please contact Gene Palmer at (916) 445-4982.

Sincerely,

Verne Walton

Verne Walton, Chief
Assessment Standards Division

VW:wpc
AL-14-1814A